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The _____ MICHIGAN GAMING _____ Newsletter



DETROIT CASINOS AUTHORIZED TO INCREASE CAPACITY TO 30%

The Michigan Department of Health and Human Services ("MDHHS") announced changes to its [Gatherings and Face Mask Order](#) on Tuesday, which include an increase in Detroit casino capacity restrictions to 30%.

The Detroit casinos were permitted to begin operations at 30% capacity on Friday, March 5, 2021, at 12:01 a.m. Michigan's tribal casinos are operated by sovereign tribal nations and, therefore, are subject to each tribe's capacity restrictions.

"As we continue our vaccine rollout and make steady progress against the virus, we are taking additional incremental steps to re-engage to ensure we are protecting our families and frontline workers and saving lives," said Governor Gretchen Whitmer in a [press release](#).

Michigan Gaming Control Board ("MGCB") Executive Director Rick Kalm issued an [Order](#) implementing MDHHS Order on March 4, which outlines the minimum guidelines the Detroit casinos must follow for continued operations at increased capacity.

MGCB EXECUTIVE DIRECTOR COMMENTS ON LAUNCH OF INTERNET GAMING AND SPORTS BETTING

With the recent successful launch of internet gaming and sports betting, The Michigan Gaming Newsletter recently sat down and interviewed Michigan Gaming Control Board ("MGCB") Executive Director Rick Kalm on the process the MGCB used to approach the rollout and to give some information about how the MGCB successfully navigated the task of licensing the operators, platform

providers, and the over 200 vendors and suppliers needed to authorize the launch.

The Michigan Gaming Newsletter ("TMGN"): The MGCB staff that worked on the iGaming roll out included how many individuals? Throughout the process, there have been a number of key personnel that have led up certain areas. Do you have any comments as to how the agency approached the organization of the roll out?

Mr. Kalm: "Nearly all of the agency's operating units were involved in the internet gaming and sports betting rollout.

The MGCB created a committee led by Deputy Director Kurt Steinkamp and Deputy Director Dave Murley to oversee launch-related issues, and committee members were assigned tasks related to their expertise. For example, Audit Manager Jason Wiard and Assistant Manager Steve Meyer and their staff handled review of internal controls, Gaming Lab Manager Carla Schulte and her staff worked on gaming submissions, and iGaming Manager David Hicks and his staff oversaw platform and remote gaming system requirement compliance and submissions. Charlie Negin of Indian Gaming was the lead on rulemaking and continues to advise colleagues on how they apply to various situations.

Enterprise Licensing managers John Sullivan and Sarah Rye and their staffs ensured operators, platform providers and suppliers met licensing requirements, and Rye and her team also worked with vendors on registration. Employee Licensing's Carrie Dodt and her staff handled employee licensing requirements. Investigations were completed by Manager Dan Minzey and his team. The committee met at least weekly for months in advance and convened more frequently as needed before the Jan. 22 launch."

TMGN: How many vendors and suppliers did the agency need to investigate as part of the process? Related to the agency's operating history, how does the licensing expansion compare to other times within the agency history? Did the process go according to plan? Are there other points you

may want to highlight?

Mr. Kalm: "The agency's Investigations section started investigations for 15 internet gaming and internet sports betting operators and 59 internet gaming or internet sports betting suppliers during calendar year 2020. Vendors are registered, not licensed, and do not require background investigations although tax payment and other checks are performed. The process probably was very similar to the experiences when the agency began initial regulatory reviews and licensing for the Detroit casinos more than 20 years ago. This time, the MGCB had the advantage of many years of regulatory experience to guide staff and the ability to obtain and use information from other states' gaming regulators. When draft rules became available last spring, MGCB staff could form an approach to vetting internet gaming and sports betting applicants. The MGCB began to accept online gaming supplier license application forms in May and operator and vendor applications in July. This meant the agency had several months to work with applicants on requirements and conduct required investigations. By Dec. 10, the MGCB had approved 15 platform providers' provisional licenses. The rules had been adopted Dec. 2 so work could begin on the final phase of licensing in preparation for launch.

The agency had longstanding business relationships with the Detroit casinos' operators. Although the MGCB has not licensed and regulated tribal gaming previously, we do have extensive experience working with the tribes and their casinos in our Tribal-State Class III Gaming Compacts oversight role. Tribal representatives and their platform providers have been very helpful throughout this process."

TMGN: Michigan's lab has worked with independent testing labs (ITLs) to complete the process and also has its own role in the process. Can you comment on this process, on BMM and GLI and the Michigan lab and their respective roles?

Mr. Kalm: "The ITLs really helped us manage the

submissions volume efficiently. Our Gaming Lab staff had confidence in the ITLs as they have worked together on gaming device testing for the Detroit casinos since 2018. The agency reviewed and approved the ITLs' testing procedures before authorizing them to test internet gaming and sports betting products. This ensures they conduct testing that's consistent with the acts, rules and prescribed technical standards. It's important to note the ITLs test platforms, games and other systems and issue certification letters, but the MGCB has approval authority. The ITL certification letter is among many items the MGCB reviews when determining whether to approve a platform, game or system for use in Michigan."

TMGN: Michigan is joining other states that have launched iGaming, but Michigan is the only state with the mix of commercial and Native American operators. Can you share any thoughts as to how the process has played out? From what it appears, the State and the tribal operators have had a great partnership in launching the new iGaming industry.

Mr. Kalm: "Michigan created a model for the U.S. gaming industry by establishing a path for the tribes to obtain licenses for statewide internet gaming and sports betting. The agency established a good working relationship with the tribes through its Indian gaming oversight function, which strengthened as we began to work with them in a regulatory capacity. We also worked closely with the tribes during the rulemaking process. Their feedback was key to ensuring an efficient, successful launch.

The MGCB looks forward to a continued strong relationship with the tribes as we begin regulating internet gaming and sports betting."

TMGN: Now that internet gaming and sports betting has been live for over a month, can you share any thoughts as to how the MGCB and key players in the State have continued to work together to keep things running smoothly? How have things gone according to plan, or how have they not gone according to plan?

Mr. Kalm: "The launch of internet gaming and sports betting got off to a good start, and since Jan. 22 we've added two more tribal operators (Little Traverse Bay Bands of Odawa Indians and the Pokagon Band of Potawatomi Indians' Four Winds casinos) and authorized Greektown Casino's internet gaming launch. More recently, we have given guidance to improve platform providers' understanding of patron dispute process requirements for their sites and use of the agency's logo in advertising, which is prohibited. I'm very grateful to everyone who contributed to a smooth launch for Michigan just 13 months after the laws authorizing the gaming were signed."

TMGN: The revenue report for the first 10 days of operation in January looks promising for the State of Michigan, the City of Detroit, and tribal governments. Do you have any comments you would like to share on how internet gaming and sports betting will be beneficial for communities throughout the State?

Mr. Kalm: "COVID-19 health concerns meant both commercial and tribal casinos were closed for part of 2020. Of course, this impacted gaming tax revenue for the state, particularly K-12 education, and the City of Detroit as well as revenue the tribes share with the Michigan Strategic Fund and use to provide government services for their communities. The new forms of gaming provide another revenue source for all of these entities and for K-12 education in Michigan. In the long run, internet gaming likely will provide the largest source of tax revenue of the new forms of gaming because the tax and payment rates are so much higher — ranging from 20-28 percent versus 8.4 percent for internet sports betting."

TMGN: As the launch unfolds any other comments you feel you would like to share with the Gaming industry, Michigan officials or the public at large?

Mr. Kalm: "Launch is the first step in an ever-evolving market. I've seen published reports on the popularity of internet poker in Michigan, and the sports betting results for February and March

should be interesting because of the Super Bowl and March Madness. Taxes and payments were lowered by free play and other promotions in January, and this probably will continue for the near term as providers use incentives to attract customers. Aside from the impending launches, the agency will work on live studio games requirements, cashiering options and the multi-state poker agreement in the coming months. Our sportsbook catalog has grown, and the MGCB continues to review providers' suggestions for new leagues, games and wagers.

I'd like to thank my staff and all of the people involved in bringing legal, regulated internet gaming and sports betting to Michigan. I hope the public will enjoy the games and Michigan and tribal communities' citizens will benefit from the revenue.

Finally, March is Problem Gambling Awareness month. I ask anyone who wants to control their gaming or needs help with gaming addiction to use the temporary or permanent self-exclusion tools on the platform providers' sites, apply for inclusion in the MGCB's [responsible gaming database](#) or contact counseling options such as the Michigan Department of Health and Human Services gambling helpline, 800-270-7117."

TMGN: Thank you for speaking with us and congratulations to you and your staff on implementing what appears to be a very successful launch.

IMGL HOSTS 2021 VIRTUAL SPRING CONFERENCE MARCH 8-12

International Masters of Gaming Law ("IMGL") is hosting its 2021 Spring Conference virtually on March 8-12, 2021. The conference was moved from Athens, Greece, to a virtual format due to COVID-19 health concerns. Each conference day will have two sessions, featuring different topics and thoughts from industry leaders.

The sessions will feature the following:

Monday, March 8

Session 1: Brick and Mortar Gaming in a Post-COVID World

Moderator: Sean McGuinness - Attorney, Butler Snow

Speakers:

- Michael Lipton - Senior Partner, Dickinson Wright
- Andrew Cotton - Director of Betting and Gaming, Ince Gordon Dadds LLP
- Daron Dorsey - SVP, General Counsel & Group Compliance Officer, Ainsworth Game Technology
- Ellen Whittemore - EVP, Wynn Resorts

Session 2: Sports Betting Updates

Moderator: Marie Jones - Attorney, Fox Rothschild

Speakers:

- David Waddell - President, Regulatory Management Counselors, P.C.
- Eric Frank - EDF Compliance, LLC
- R. Douglas Sherman - Chief Counsel, Pennsylvania Gaming Control Board
- Gina Smith - Deputy Director of Gaming Compliance, Virginia Lottery

Tuesday, March 9

Session 3: Tribal Sports Betting and Compact Provisions

Moderator: Steve Light - Co-Director, Institute for the Study of Tribal Gaming Law & Policy, University of North Dakota

Speakers:

- Kathryn Rand - Professor, University of North Dakota School of Law
- Kevin Quigley - Indian Affairs & Gaming Business Counsel, Foley & Quigley PLC
- Niki Metzgar-Schall - Corporate Counsel, Sportradar
- Heidi McNeill Staudenmaier - Partner, Snell & Wilmer

Session 4: Igaming/Lottery in North America

Moderator: Robert Fontaine - Deputy General Counsel for Gaming, Virginia Lottery

Speakers:

- Rob Wesley - Director of Digital, Virginia Lottery
- Riva Richard - General Counsel, Pollard Banknote
- Scott Bowen - Vice President of Government Relations, NeoPollard Interactive LLC

Wednesday, March 10

Session 5: Australasia 2021: Way Forward Post COVID

Moderator: Andrew W. Scott - Vice Chairman and CEO, Inside Asian Gaming

Speakers:

- Jamie Nettleton - Partner, Addisons
- Kok Keng Lau - Head of Intellectual Property/ Sports and Gaming, Rajah & Tann Singapore LLP
- Marie Antonette B. Quiogue - Partner, Romulo Law Offices
- Hitoshi Ishihara - Partner, Anderson Mori & Tomotsune

Session 6: Rise of E-Sports in Australasia - Focus on the Current State of the Industry

Moderator: Alex Norman - Counsel, Bird & Bird

Speakers:

- Ranjana Adhikari - Co-Head of the Media Entertainment & Gaming Practice Groups, Nishith Desai Associates
- Sean Zhang - CEO and Cofounder, Talon Esports
- Michael Patent - Founder, Culture Group
- Joseph Wadakethalal - Corporate Development, IR, and Strategic Partnerships, Mobile Premier League

Thursday, March 11

Session 7: UK - Review of the Gambling Act 2005: A Sign of Things to Come for the Global Gaming Industry?

Moderator: Stephen Kettleley, Partner, Wiggin LLP

Speakers:

- Tamsin Blow - Partner, CMS Law
- John Hagan - Managing Partner, Harris Hagan
- Ian Ince - Head of Regulation and Compliance, Playtech
- Simon Bernholt - Chief Regulatory & Legal Officer, Flutter UK & Ireland

Session 8: Mergers/Acquisitions and the

Competition Angle

Moderator: Diane Mullenex - Partner, Pinsent Masons

Speakers:

- Adam Rivers - Director, KPMG LLP
- Hussein Chahine - Founder & CEO, Stratasphere
- David McLeish - Partner, Wiggin LLP

Friday, March 12

Session 9: The Impact of the Ongoing Global Pandemic in Regard to the EU/UK Regulated Markets

Moderator: Quirino Mancini - Partner, Tonucci & Partners

Speakers:

- Ekaterina Hartmann - Director of Legal and Regulatory Affairs, European Gaming and Betting Association
- James Scicluna - Co-Managing Partner, WH Partners
- Marco Castaldo - CEO of Microgame SpA and Director of ASTRO for Online Gaming and Betting
- Niki Stephens - Partner, Mishcon de Reya

Session 10: Emerging Markets in the Netherlands, Germany and Others Gradually Legalizing Online Gambling

Moderator: Frank Tolboom - Partner, Kalff Katz & Franssen

Speakers:

- Justin Franssen - Partner, Kalff Katz & Franssen
- Matthias Spitz - Senior Partner, MELCHERS Law Firm
- Frieder Backu - Partner, Witzel Erb Backu & Partner Rechtsanwälte
- Peter-Paul de Goeij - Managing Director, NOGA

To read more about each session and to view the conference schedule in full, please click [here](#). To register for the IMGL 2021 Spring Conference, please click [here](#).

NCLGS HOSTS WEBINAR: "DIGITAL GAMING COMES INTO FOCUS"

The National Council of Legislators from Gaming States ("NCLGS") is hosting a webinar entitled "Digital Gaming Comes into Focus," featuring Michigan Gaming Control Board ("MGCB") Executive Director Rick Kalm. The webinar will be held on March 18 at 1:00 PM EST.

The webinar will address how the COVID-19 pandemic, the United States Supreme Court, state budget deficits, and new technologies have emerged as forces that have upended traditional gaming, bringing in new participants, players, and rules that will create challenges and opportunities for the industry. An open Q&A will follow the presentations.

A panel of industry experts will be led in discussion by moderator Jon Ford, Indiana State Senator and NCLGS Board Member. The expert panel will include:

- Howard Glaser - Global Head of Government Affairs and Special Initiatives at Scientific Games
- Enrico Drago - SVP, PlayDigital and Sports at IGT
- Rick Kalm - Executive Director, MGCB
- Juliann Baretto - CFO at Spectrum Gaming Group, Q&A Host

To register for the webinar, please click [here](#).

FOUR WINDS CASINOS' FRANK KENNEDY JOINS KAMBI'S FESTIVAL OF SPORTSBOOK EVENT

Frank Kennedy, SVP of Casino Operations at Four Winds Casinos, is joining Kambi's Festival of Sportsbook digital event on March 18, 2021. The Festival will run from March 15-19, and will feature insights from industry experts on key topics impacting the global sports betting landscape.

Mr. Kennedy is featured on a session entitled "Maximize the Power of Your Brand: How your business can use the strength and trust in its

brand to maximise the sports betting opportunity." The panel will also include Matt Hosman, Kambi US Sales Director, and Victor Rocha, NIGA Conference Chair. To register for the session, please click [here](#).

"With many states in the process of regulating and others still to come, US sports betting is just getting started," said Cecilia Wachtmeister, Kambi's EVP of Business and Group Functions, in a [press release](#). "Meanwhile, technology will of course play a crucial role in how the US market and others around the world evolve, so it was only right we gave these topics such prominence in the agenda."

For more information on Kambi's Festival of Sportsbook and to register for all of the sessions, please click [here](#).

GUN LAKE TRIBE PARTNERS WITH MDOT TO FUND HIGHWAY INTERCHANGE

The Match-E-Be-Nash-She-Wish Band of the Pottawatomie Indians ("Gun Lake Tribe") has partnered with the Michigan Department of Transportation ("MDOT") to fund a \$26 million upgrade to a highway interchange near Gun Lake Casino in Wayland, Michigan. Gun Lake Tribe is contributing \$22 million to the project, while MDOT will fund the remaining \$4 million of the project.

The project will rebuild the US-131/M-179 interchange and will resurface US-131 from 120th Avenue to 133rd Avenue in Allegan County. Construction on the project began March 1 and will take two years to complete, opening to traffic in November 2022.

"There's bridges around us that had been replaced, you know, *Martin, Dorr, Wayland* . . . not this one yet," John Shagonaby, CEO of the Gun Lake Tribal Gaming Authority, told FOX 17 in a [news article](#). "We want everybody to be safe when they come to the reservation and enjoy

good times at a casino or a better trip on the way home; you don't have to wait for traffic.””

"Rebuilding and improving this interchange is vital for this growing area and it helps meet the vision the Gun Lake Tribe has for their casino, their customers and their stakeholders," said MDOT Grand Region Engineer Erick Kind in a [press release](#). "The generosity from the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians of Michigan is unprecedented and gives us a great opportunity to rebuild this bridge and interchange for all of Michigan."

"We really wanted to find a great partner in M-DOT and move this up, and we're putting our money where our mouth is," said Mr. Shagonaby.